



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
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**POLICY # 07-002
TENNESSEE REAL ESTATE COMMISSION
Established July 12, 2007**

POLICY FOR LAPSED ERRORS AND OMISSIONS INSURANCE

Tenn. Code Ann. § 62-13-112 requires all brokers and affiliate brokers to maintain errors and omissions insurance coverage.

This requirement is a “condition of license granting and renewal.” As such, the Commission shall deny the renewal of any license where the licensee has failed to maintain the required insurance.

Tenn. Code Ann. § 62-13-312(b)(15) requires principal brokers to adequately supervise all affiliate brokers at their firm. All principal brokers who fail to ensure their affiliate brokers maintain errors and omissions insurance are in violation of this section and will be disciplined by agreed citation with a civil penalty in the amount of one thousand dollars (\$1,000.00) per uninsured affiliate broker.

This policy does not preclude the Commission from other legally authorized means of recourse to ensure licensees comply with the requirement for maintaining errors and omissions insurance.

The Commission adopts this policy as a means of protecting the citizens of the State of Tennessee.